THE COURT: I have a motion in front of me by the debtors in this case for approval of a supplemental special attrition program agreement between themselves, the UAW and GM, as well as an agreement for a special attrition program between themselves, their second largest union, the IUE-CWA and GM. The Court had a lengthy hearing regarding the first agreement between Delphi, the UAW and GM a couple of months ago and approved that agreement. The current supplement is an add-on to that agreement, and it doesn't change any of the prior terms of that agreement or the Court's order approving it; but, it is important to understand —that previously approved program in that it provides some context for this motion. The other contextual point that is important is that between the date that I approved the main special attrition program between the UAW, GM and Delphi and today, the debtors filed a motion to reject their collective bargaining agreements with not only the UAW and the IUE-CWA but their three other unions. The Court held several days of trial on that motion and then, at the parties' request, adjourned the trial to permit further negotiations among the unions and Delphi and GM. In that trial of the section 1113 and 1114 issues, the unions, and in particular the UAW, strongly asserted that they had been on a path with both Delphi and GM to deal with the union issues prior to the debtors having filed the 1113 and 1114 motion. That path, UAW asserted,

included, as a critical step, the reduction of the debtors' hourly workforce pursuant to attrition programs, including the program that had been negotiated with the UAW and further programs with other unions that were under consideration. And that statement was born out in large measure by the subsequent negotiation of the supplemental attrition program with the UAW as well as the program with the IUE, both of which are now before me.

The motion has been objected to by the four active non-union parties in interest in this case: the official creditors' committee and official equity holders' committee, the indenture trustee of approximately two billion dollars of unsecured debt, and the ad hoc equity committee. Those objections, however, in large part--if not exclusively--go to one aspect of the proposed agreements and not to the merits of Delphi's entering into an attrition program with the IUE and supplementing its current attrition program with the UAW. Consequently, the evidentiary hearing -- the evidentiary portion of this hearing--was much briefer than the earlier hearing.

The primary basis for each of the four objections is the objectors' view that the proposed agreements unduly benefit GM to the detriment of Delphi. Specifically, each objector contends that, in two respects, GM is improperly obtaining preferred treatment pursuant to the agreements.

The first respect is that under the agreements, GM has agreed, both with respect to the UAW and the IUE, to pay one-half of the proposed actual buyout of those employees who choose to take a buyout, and GM will, under the agreements, receive an allowed claim, an unsecured claim, against Delphi Corporation for the buyout money actually spent by GM.

Secondly, each objector points to the provision of the agreements which would deem GM's claim in respect of its assuming liability for OPEB obligations--for those employees who check the box to transfer those obligations to GM-- as one that is “assertable” under the Master Separation Agreement between Delphi and GM entered into in 1998, whether or not, in actual fact, such a claim could be asserted under or covered by the plain language of the debtors’ indemnity of GM in the Master Separation Agreement or any other agreement.

Before discussing the merits of those objections, as well as the remaining objections by Wilmington Trust and the ad hoc equity committee, however, I should note the standard under which I am reviewing this motion. The motion is couched as a request under section 363(b) of the Bankruptcy Code, which requires that if the debtor uses, sells or leases assets of its estate out of the ordinary course it needs to provide an opportunity for a hearing on notice to parties in interest. And I believe that this is, properly, a motion under section 363(b)

of the Code, in that, among other things, the debtor would be expending approximately 135 million dollars, if its projections are accurate, in respect of the buyout aspect of the programs.

In addition, however, I have reviewed the motion under the standard for review of settlements in bankruptcy cases as laid out by the courts, starting with Protective Committee for Independent Stockholders of TMT Trailer Ferry v. Anderson, 390 US 414, 424 (1968). I do that because there are elements of this proposal which do change the treatment of GM's contingent, unliquidated claims. I know that the debtors and GM argue, to the contrary, that these agreements only effect new undertakings by GM, but I do not entirely accept that analysis for the purposes of this hearing because the agreements should be evaluated in the light of GM's existing claims, among other considerations, and, therefore, I'm going to apply the settlement standard to those aspects of the motion that allow GM's claim, in one instance, and, in the other, deem it to be "assertable" under the MSA, which happen to be the aspects of the motion that the objectors primarily oppose. As set forth in TMT Trailer Ferry and many cases following it, including In re Ionosphere Clubs, 156 B.R. 414, 424 (S.D.N.Y. 1993), and In re Remsen Partners, Ltd., 294 B.R. 557, 565 (Bankr. S.D.N.Y. 2003), when considering a settlement in bankruptcy, a court needs to consider the probability of success if litigation were continued

to be, the difficulty in collection, the complexity of the litigation involved, and the expense, inconvenience and delay necessarily attending to it, and a proper deference to the interests of creditors and stockholders. Settlements in bankruptcy are favored, perhaps even more so than in general litigation, given the limited resources of most debtors. And it's clear from the case law, as best set out in In re WT Grant Co., 69 F.2d 599, 608 (2d Cir. 1983), cert. denied, 464 U.S. 822 (1983), that the Court need not conduct a mini-trial or a lengthy evidentiary hearing when considering a proposed settlement, but that it should evaluate the record in the light of the foregoing factors and has the discretion to approve the settlement if it falls within the low point in the range of reasonableness in the light of those factors.

With respect to motions under section 363(b), the courts in this Circuit require the bankruptcy court to evaluate the debtor's action to be taken out of the ordinary course in the light of its own business judgment, although heavily informed by -- under proper circumstances – the business judgment rule that defers to the debtor's exercise of its business judgment. See In re Orion Pictures Corp., 4 F.3d 1095 (2d Cir. 1993); In re Integrated Resources, Inc., 147 B.R. 650 (S.D.N.Y. 1992). See also In re Lionel Corp., 722 F.2d 1063, 1071 (2d Cir. 1983) (requiring showing of "good business

reasons" for proposed action out of the ordinary course). The courts determine, when applying the business judgment rule, whether the debtor has followed proper procedures in evaluating the proposal and whether the proposal is one involving an insider as opposed to arms-length negotiations (and, of course, arms-length negotiations may involve one party having more or less leverage than the other), as well as, again, the views of third parties, such as an official committee that may have access to nearly as much, if not as much, information as the debtor's decision-makers, particularly if those third parties object to the relief being sought. Again, I have reviewed this motion in the light of both of the foregoing standards.

Turning to the objections, it is clear to me from the statements of the objectors, with one exception -- an exception I'll deal with later -- that the objectors agree with the debtors that a formal program, such as that covered by this motion, providing for and encouraging attrition of the debtors' union employees is beneficial to the debtors generally. In any event, the record of the benefit to the debtors provided by these programs is clear, and I don't need to elaborate on it at length. However, I should note that, as these debtors have clearly set forth, and I think it is undisputed, the debtors need to substantially reduce their operations in the United States. This would involve, in the normal course, a substantial

reduction, of course, in their hourly and salaried workforce engaged in United States operations. The attrition program that already has been substantially implemented with the UAW and GM has proven to be successful in leading to substantial and beneficial reductions in the debtors' hourly workforce. Moreover, those reductions occurred, by and large, at the level of the most highly paid hourly workers, thereby not only reducing the numbers of the debtors' workforce but also, disproportionately, the debtors' per-worker costs. The cost benefits were described in the debtors' declarations and are not contested.

The personnel reductions have also helped the debtors in another respect, in that they have shifted from their books to the books of GM a substantial liability for retiree and other OPEB benefits. As made clear in Mr. Sheehan's testimony, the attrition programs do not actually provide for a release of the debtors in respect of OPEB, but, on the other hand, the OPEB check-the-box mechanism in the UAW and IUE programs essentially transfers seamlessly Delphi employees to GM's benefits package without raising the uncertainties as to when that might otherwise occur under GM's guaranties of benefits to those two unions that were entered into in 1999.

Further, the testimony on the record is clear-- and I include as part of the record the representations by counsel

directly involved in the negotiations, such as Mr. Kennedy and Ms. Ceccotti and Mr. Butler and GM's counsel-- that the existence of an attrition program for the UAW as well as the implementation of an attrition program for the IUE is of very material importance to the debtors' resolution of their other issues with the unions in respect of prevailing wage rates, plant shutdowns, and the like, in that it clarifies the parameters, or size, of the debtors' workforce going forward and means that the parties will be negotiating issues in the proper factual context as opposed to a hypothetical one, and issues pertaining to the unions' plant shutdown rights are more easily addressed if most workers at plants slated for closure by the debtors have already decided to leave. As Mr. Kennedy said, there is also a substantial timing element in respect of these last two points. The 1113/1114 hearing was adjourned only until August 11th. For various reasons, one of which is quite unfortunate, i.e., the death of the chief negotiator for the IUE, the IUE is a couple of months behind the UAW in having an actual track record of participation in an attrition program. The record is clear, and I think undisputed, that it is very important for the ongoing labor negotiations that there be a track record of actual experience under the attrition program for the IUE and that it occur promptly and well before August 11th, so that the parties can meaningfully negotiate the rest of

their labor issues. On the other hand, were this program to be disapproved by me, Mr. Kennedy also represented, and it is, I believe, fully understandable, that there would be a serious disruption in the debtors' attempts to resolve the labor issues.

So, as I noted, the reasons for approving an attrition program like this one, I believe, are clear and largely acknowledged by the objectors.

As I noted, the primary objection raised by the objectors goes to the two aspects of GM's claims affected by this program. Let me address the buyout point first, although I should note that these points, to my mind, are not discreet in that this is a comprehensive attrition program. If I were to find fault with one aspect of the program, whether it's the buyout claim or the right of GM to assert a claim under the MSA in respect of "check the box" OPEB, I don't have the power to amend the attrition agreements. At best, what would occur would be a return by the three parties to the bargaining table to renegotiate the attrition agreements.

As regards the buyout point, the attrition agreements provide that GM will have an allowed claim for the actual dollars it spends, in respect of the buyout, which would be 50 percent of the aggregate buyout amount. It was suggested by the ad hoc committee's objection that this claim allowance would violate section 502(e) of the Bankruptcy Code. Mr. Kurtz, at

oral argument, did not press that point, but the debtors' papers adequately address the issue. The claim is only allowed to the extent that GM actually pays, out-of-pocket in respect of the buyout; therefore, allowance is conditional on the claim becoming fixed and liquidated and thus does not run afoul of section 502(e).

Moreover, the record of the hearing has made it clear that GM's rights in respect of the buyout claim are no different than those of any creditor with an allowed unsecured claim, in that GM would still be subject to the requirements of confirmation of a plan and may be paid out only pursuant to a plan; the disallowance of such a claim under section 502(d) of the Bankruptcy Code, were GM to be found to have received an avoidable transfer and not have returned that transfer; and the other provisions of the Bankruptcy Code that apply to allowed claims of unsecured creditors.

The debtors contend that this allowed buyout claim is for new money provided to them by GM and that they otherwise would either have to go out-of-pocket themselves for the 50 percent that GM is paying or borrow such funds from another third party, at interest, and in return for a first priority secured claim. Based on that logic, GM's agreement to provide the money, in return for only an allowed unsecured claim is of benefit to the estate. The record suggests that, at least as of

today, there's no assurance that unsecured creditors, as GM would be under this agreement, would receive a hundred cents on the dollar plus interests on their claims. Therefore, the debtor is funding half of the buyout with small bankruptcy dollars, as opposed to a hundred cent dollars.

The objectors argued, nonetheless, that GM is obtaining for itself an undue benefit through this approach, and that the debtors are not getting enough in return for giving GM even an allowed unsecured claim, because GM has, as I mentioned earlier, previously guarantied OPEB benefits to the IUE and the UAW, and a consequence of the employees' election of the buyout would be elimination of that contingent liability on GM's part.

It is no surprise that GM is not entering into these agreements so as to make a gift to Delphi. Rather it's entering into them in its own best interest. And I'm sure that one of the consequences that GM considered when deciding to enter into these agreements is that it would be relieved of its contingent benefit guaranty liability in respect of those parties who elect the buyout. But the issue before me is not the benefit that GM receives, but whether the debtors are obtaining a reasonable benefit in return for funding 50 percent of the buyout and giving GM an allowed unsecured non-priority claim for the other 50 percent, in light of the alternatives available to them. I've spent a considerable amount of this hearing trying to

evaluate the alternatives available to the debtors with respect to the buyout proposal. It seems to me that the first one, to pay the whole buyout themselves, as suggested by the creditors' committee, standing alone, is not, for the reasons I stated earlier, a valid alternative, in that the debtors would be paying with hundred cent dollars, plus interest --clearly hundred cent dollars-- in that instance instead of "small" bankruptcy dollars under the proposed agreements. In addition, the creditors' committee's suggested approach would still relieve GM of its contingent liability on the benefit guaranties to the unions, with no corresponding benefit to the debtors' estate.

With one exception to be discussed later, no objector posed any other alternative to the buyout, except, as suggested by the creditors committee, to eschew any support from GM in the proposed agreements, including as to the buyout funding and the 35,000 dollar inducement to attrition, in return for also not accepting GM's agreement to the "check-the-box" OPEB assumption. That is, the objectors took the position that the acknowledgement of an "asertable" claim by GM in connection with the "check-the-box" provision of the proposed attrition program was so beneficial to GM and so detrimental to Delphi that it outweighed any benefits of GM's participation, including in funding the buyout and the $35,000 provision's, generally in the

agreements. Alternatively, the objectors may be suggesting, although their papers were not particularly clear about this, that GM would continue to fund 50 percent of the buyouts and the $35,000 per-person payments even if I disapproved the agreements on the basis that they gave GM an allowed, unsecured claim and the right to assert an OPEB claim under the MSA-- that is, the objectors suggested that if I dared GM, in the light of the other benefits GM receives under the attrition program, not to support the program, GM would not take the dare. It is further suggested by the objectors that the unions would be as comfortable -- or should be as comfortable--with such an approach as with the currently proposed programs, even if GM refused to amend the agreements and the debtors did not have a "check-the-box" OPEB program, but rather, continued to pay OPEB in the ordinary course, with the backup of the 1999 GM benefit guaranties to the unions.

Would the debtors obtain, not only the same benefit under such an approach as under the currently proposed programs, but, in fact, an even greater benefit?

Certainly the record, including the statements by the unions' counsel, is to the contrary, and I accept those representations by counsel based on my review of the GM/IUE and GM/UAW benefit guaranties, as well as on my belief that a clear check-the-box provision is something that not only is definitely

understandable but inherently more reliable to an hourly employee than his or her reliance upon GM's 1999 benefit guaranties to the unions, and, therefore, provides a much greater inducement to elect to attrit. Thus, the currently proposed agreements, as opposed to a proposal that includes only a 100 percent self-funded buyout provision, are, therefore, a lot more likely to induce an employee to accept attrition promptly. And I am not prepared to dare GM not to support an attrition program in the light of the clear benefits to the debtors of having GM's support, including, without limitation, in respect of the OPEB/"check-the-box" feature of the agreements in addition to the $35,000 provision (for which GM has no assurance of a claim over against the debtors) and GM's funding of 50 percent of the buyout in return for an allowed non-priority unsecured claim.

Moreover, it appears to me that if Delphi simply excludes GM from a (less effective) attrition program, it is only deferring the issue of the claims GM will assert in connection with the performance of the 1999 benefit guaranties. I believe that ultimately the issues of how and when GM's benefit guaranties would be triggered will arise in any event in this case, on either a negotiated basis or as a result of a ruling in the 1113/1114 litigation, and lead to some form of liquidated, non-contingent claim by GM. Consequently, I don't

believe that one should reasonably be able to make GM part of the solution of Delphi's problems now without some form of inducement to GM in a tangible form.

Given that GM is, in fact, going to be going out-of-pocket for 50 percent of the buyout, it seems to me that the inducement that the debtors have provided for GM is appropriate, which is an unsecured, pre-petition claim subject to the limitations previously discussed, and that there is no meaningful alternative that gets the debtors the same type of benefit. Clearly, this falls within the range of reasonableness for a settlement, to the extent it is a settlement with GM, and also, in my mind, it is supported by good business reasons. As with any settlement or any deal, one can imagine different ways that it might have been negotiated, but that's not the role of the Court under either the settlement or section 363(b) business judgment standards, unless the settlement is not reasonable and the proposed action is not supported by a good business reason.

I've already addressed, in some measure, the second issue raised by the objectors, which is that under the agreements GM is deemed to have an "assertable" claim under the MSA. This does, clearly, give GM a benefit in return for its acceptance of the check-the-box OPEB transfer. That is because it is far from clear, and probably unlikely, that without it being deemed to be assertable under the MSA, GM would have a

claim for indemnity in respect of performance of its benefit guaranties to the IUE/CWA or the UAW under the MSA (although it might have a common law contribution claim or subrogation claim and GM has a separate indemnity agreement with Delphi regarding the GM/UAW benefit guaranty). Moreover, with regard to the IUE, in contrast to the UAW, there is no separate indemnity agreement whereby Delphi indemnified GM for performance to the IUE under the GM benefit guaranty.

So, absent deeming the indemnity claims in respect of the IUE/OPEB claim to be assertable under the MSA, it appears that GM would have to fall back on its rights under common law subrogation or contribution doctrines, which might be different than under the MSA. That being said, the benefit to GM is limited in the following respects; first, the debtors expressly reserve the right to object to the quantification of such a claim under the MSA, which is a significant reservation, given the different ways that one may quantify the OPEB liabilities assumed under the check-the-box program. Secondly, except for the right to have the claim deemed assertable under the MSA, all parties other than the debtors have the right to object on any basis to such a claim of GM asserted under the MSA, including, for example, on equitable subordination and fraudulent transfer bases and the like.

Moreover, as noted earlier, there is a material

difference between GM performing under its benefit guaranties to the two unions and what GM has agreed to do under these attrition programs: accept OPEB liability for those who "check the box." Thus, complaining about the difference between GM's rights against the debtors if GM performs under its benefit guaranties, which GM is not doing here, and GM's ability to assert a claim under the MSA as a result of GM's participation in the attrition programs' check-the-box provision, is largely a red herring.

As noted, today GM has no obligation to accept check-the-box liability for OPEB. It merely has its obligations to the two unions under the benefit guaranties. It's argued by the objectors that those are the same things -- or tantamount to the same things. As I said before, however, I disagree with that. I believe that the form --the check-the-box provision and the concession by GM to honor the check-the-box election-- is substantially more likely to induce hourly workers to accept the attrition program than simply workers' reliance on the benefit guaranties, which do not run to any individual worker, and are, furthermore, tied up in the unpredictable outcome of the pending section 1113 and 1114 litigation.

Further, as previously noted, even were GM somehow forced into accelerating its performance of the benefit guaranties, in the context of either the 1113/1114

litigation or negotiations with the backdrop of the 1113/1114 litigation, not all issues regarding GM's claims against the debtors would necessarily be decided or negotiated in the estates' favor and contrary to GM. There's a substantial likelihood that were I to disapprove these attrition agreements on this basis, therefore, the parties would simply be postponing the GM negotiations for several months and yet not obtain ultimately a result more beneficial to the estates (and, as noted, GM's claim under this provision is still open to serious challenges). And of course the consequence of postponing the negotiations with GM for more months would be, I believe, severely detrimental to the ongoing negotiations among GM, the unions and the debtors and essentially deprive the debtors of the benefits of the attrition programs proposed, leading to serious deterioration of the labor negotiations. So consequently, I'm not prepared to disapprove the proposed agreements on this basis or to play a game of chicken with GM by suggesting that if it only made this change I would approve the debtors' motion. Again, one could posit different ways that this provision might have been negotiated, but the provision in the context of the overall agreements that have resulted is within the debtors' business judgment and also within the bounds of reasonableness to the extent that this can be viewed as a partial settlement of how GM's contingent, unliquidated

indemnification claim with respect to these employees' OPEB would be treated.

Let me turn to the other objections. First I'll address a point that actually was not raised in any objection but was briefly mentioned in oral argument by the ad hoc committee's counsel, who suggested that these two attrition agreements constitute a disguised, de facto or sub-rosa plan of reorganization and consequently could not be approved without prior approval of a disclosure statement, voting by parties in interest and confirmation of a plan. I disagree with that assertion. These agreements do not effect a sub-rosa Chapter 11 plan, in that they do not determine or prescribe the treatment of, and distributions to, creditors but, rather, deal with a settlement of a claim to the extent that it is being settled and the infusion of new money of the debtors and GM to buy out and induce the attrition of the debtors' employees. This is not the type of matter that creditors would be expected to vote on. Obviously, as with any action out of the ordinary course, there are consequences that flow from the agreements that affect the debtors' businesses and, therefore, their chances to reorganize, but as the Second Circuit has made clear since Lionel, the existence of such consequences does not constitute a sub rosa plan. See, In re Tower Automotive, Inc., 342 B.R. 158 (Bankr. S.D.N.Y. 2006).

Secondly, the ad hoc committee argued, again I believe only in oral argument, that it questioned whether the proposed buyout was even necessary, in that the debtors had already obtained very significant and beneficial results from the original UAW attrition program. The assertion came as somewhat of a surprise to me and I believe also to the debtors, since it does not appear to have been raised earlier, the ad hoc committee offered no evidence of its own on this point, did not cross examine any of the debtors' witnesses on it and did not point to anything in the record that suggested that the buyout proposal was not, in and of itself, beneficial to the debtors' estates. In any event, I believe the argument has been sufficiently rebutted by the counsel involved in the negotiations in the following two respects. First, with regard to the UAW employees, it appears that there may be some overlap between the existing program and the new buyout, but that the overlap is minor in that the retirement and check-the-box OPEB options, as they benefit more senior workers, would logically continue to be chosen by those workers, whereas the buyout would logically be chosen by others who did not have such seniority.

Also, Mr. Kennedy represented, and based on my understanding of the record in the 1113/1114 hearings his representation is correct, that the buyout is critically important to the success of the IUE/CWA attrition program

because of the age of its workforce, which is substantially younger than the threshold ages for the other aspects of the attrition program. Again, it is uncontroverted that attrition here is good for the debtors; therefore, I believe that whether a buyout would encourage attrition on its own as opposed to being simply redundant with the other aspects of the programs is the only issue that I needed to consider in connection with this objection, and I'm satisfied that the buyout does encourage attrition, in a very meaningful way, on its own.

Finally, the equity committee, the ad hoc committee and Wilmington Trust have objected to the motion on the basis that Delphi Corporation -- the parent corporation--is the only obligor and payor, as opposed to other debtors who may well benefit from the agreements and Delphi Corp.'s payments under the attrition agreements. It was contended by each of those three objectors that other entities, in particular the North American subsidiaries of Delphi Corp. actually employ the hourly workers affected by the attrition agreements, and that those debtors therefore should be responsible for making the payments and having a claim asserted against them by GM for GM's buyout payments and the check-the-box OPEB liability that GM is taking on.

The proposed order approving the motion is similar, however, to the order with regard to the existing UAW attrition

program in that it provides that all rights of every debtor are fully preserved against every other debtor, so that, for example, Delphi Corporation is not precluded by the agreements or the order from asserting a claim against Delphi Automotive Systems for the money that Delphi Corporation has to pay out, either to GM or to the IUE workers employed, for example, by Delphi Automotive Systems. There is no determination anywhere in the order, moreover, as to what level of priority such a claim would have, but I note that Delphi Corp.'s payments would occur post-petition, and if it benefits another debtor, arguably would give rise to a post-petition, administrative claim against such debtor.

As I noted during oral argument, it seems to me that, perhaps with one exception, the foregoing preservation and reservation of rights sufficiently addresses the objectors' allocation issue. This is particularly the case because Delphi Corporation is not simply a volunteer or an innocent bystander here. In addition to being a party to the collective bargaining agreements with the IUE and UAW, which may or may not have independent legal significance as far as claims asserted against it, Delphi Corp. is also the sponsor of the various benefit plans providing retiree health/OPEB benefits to the employees covered by these attrition programs and, consequently, would be benefited by a reduction of such OPEB.

But even leaving that aside, Delphi Corp. is also the parent of DAS, and as far as the record of this hearing is concerned and based on my knowledge of the debtors' business planning, including as set forth in the 1113/1114 trial, it is clear to me that the debtors presently do not intend to jettison their U.S. operations and that they see tangible benefit to Delphi Corp. in those operations' continuation, albeit on a reduced scale. Moreover, it does not appear to me, on this record, that those North American subsidiaries are so hopelessly insolvent that they could not satisfy all or a material portion of a claim over for their fair share of payments by Delphi Corp. under these attrition agreements. And to the extent that they could not, on an absolute priority rule basis, pay Delphi Corporation in full, then at a minimum, Delphi Corp. would share in the equity of those North American subsidiaries under a plan. The debtors therefore have satisfied at least an initial burden of production on the allocation issue, on which Wilmington Trust and the other two objectors have offered nothing in rebuttal.

Consequently, the reservation of rights does sufficiently protect Delphi Corporation from having to pay more than its fair share under these attrition agreements.

So consequently, I'll approve the motion and authorize the debtors to enter into the two agreements.

There's a remaining aspect of the motion aside from

such approval, however, which is the debtors' request that the ten-day stay, under Bankruptcy Rule, 6004(g), not apply. There was no attempt to rebut the debtors' assertion, which I accept, that the prompt implementation of these attrition programs is of the greatest importance to the debtors' ability to continue to resolve the collective bargaining issues, which, of course, are of fundamental importance to this Chapter 11 case. I believe that the need for such speed is sufficiently important to establish cause under Rule 6004(g), notwithstanding the fact that there were four objections to the motion. Again, with the limited exceptions that I discussed, those objections were not based on the merits of the attrition programs themselves. They went to issues involving GM, and, as I previously said, I believe that the treatment of GM in these agreements is essential to the agreements and cannot be changed without losing the agreements and is reasonable and supported by good business reasons. So I believe that the attrition programs need to be implemented promptly and that the existence of a ten-day stay, which would take us into, basically, mid-July, would so delay the implementation of these attrition programs as to materially impair the ongoing negotiations of the remaining collective bargaining issues. So I'll grant this aspect of the debtors' motion as well.

MR. BUTLER: Thank you, Your Honor. Your Honor, we

submitted an order to the court for the Court's consideration and I didn't hear anything and the ruling didn't direct us to change aspects of that and would ask the Court to consider entering it.

THE COURT: I think that's fair. There were some clarifications on the record. But I believe that they are consistent with the document and the proposed order. I don't think you need add any language, for example, on 502(d) and the like. Has everyone had a chance to review that order? Okay. So, it will be entered.

MR. BUTLER: Thank you, Your Honor. Your Honor, what do you want to do with the chambers conference at this point?

THE COURT: Well, can everyone -- would everyone like about -- I can either break for about fifteen minutes or five minutes or I could break for an hour.

MR. KENNEDY: I'd say five minutes, Your Honor.

THE COURT: Okay.

MR. BUTLER: All right. So 2:30 Your Honor, for the chamber's conference?

THE COURT: Yes.

MR. BUTLER: And -- okay. And that would involve just people who are actually --

THE COURT: Yes, let me be clear. That conference is just going to involve the parties who are actively participating

in the 1113/1114 litigation. So if you are looking to press, or just a general comment or equity voter or employee, I'd just exclude you anyway so you ought to leave now. Otherwise, I'll be back at 2:30, excuse me.

MR. BUTLER: Thank you, Your Honor.